

Willingboro + Levittown, N.J.
Oldtown + Newtown

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HOW NEWTOWN REMOVED RACIAL RESTRICTIONS

A Factual Case History

* * * *

Background

The George Newton & Sons* building firm began operations in central New Jersey during the same year, 1950, that nation-wide publicity attended the violent results of resale to a Negro family of a home in a Pennsylvania private housing development of considerable size, this project being located not more than ten miles from the operation reported upon here. Plans for Newtown* included erection ultimately of 16,000 family units in what had been a semi-rural area located midway between Trenton, New Jersey, and Philadelphia. Proximity to these two industrial centers, central city population pressures and increasing suburban appeal, were making this area one of the fastest growing sections in the state; the Newtown development being the largest of several projects being built to meet the demand. Oldtown Township within which the Newtown housing development is located, operates under New Jersey township government machinery directed by a Township Committee of three elected officials, one of whom is designated Mayor. In its sparsely settled township limits, before the advent of mass builders, there were few if any Negro citizens, the nearest settlement of members of this race being approximately ten miles distant.

The Newtown tract comprises an area of approximately 5000 acres. Its original plot plan called for division of the tract into six "Park" sections or communities, each to be developed as a complete unit, but in

* A fictitious name

consecutive order. Two of these Parks had been built and occupied entirely by white families at the time activities embraced in this report, were begun. A centrally located executive office of the corporation was located near the several "model" homes from which buyers made their choices for subsequent erection on lots selling in the current Park development. Pace of building operations was measured by volume of sales, but a studied plan was followed to prevent the clustering of a particular style house in any street neighborhood. Originally, the firm offered four type homes ranging from \$12,500 to \$15,990 in price, with a fifth type added late in 1960 priced at approximately the \$26,000 level. These structures represented a choice of home from a two-bedroom ranch style house to a four-bedroom colonial. Building operations were financed entirely by private investor corporations and the Newton firm's own resources. Involvement of government financing through FHA applied only to loan guarantees extended to purchasers in the Newtown development.

Early in June, 1958, Newton and Sons released a story to the local and metropolitan press announcing continuation of a restrictive racial policy consistent with its former operations. This action served as a public answer to questions raised by several voluntary and official state human relations agencies, and to speculations in the public press as to Newton's reaction to anti-discrimination laws existing in New Jersey.

Decision to Reverse Policy

Between June 1958 and March 1960, twenty-two preliminary applications had been entered by persons identified by the sales force as Negro prospects. Applicants were not rejected outright, but no follow-up by the firm

was applied as indication of any intent to consummate sales. Formal complaints to the New Jersey Division against Discrimination alleging racial discrimination in the firm's sales practices registered by two of these families, brought the firm into litigation with New Jersey anti-discrimination enforcement authorities, and ultimately with the New Jersey Superior and Supreme Courts.^{1/} New Jersey courts affirmed the action of the N. J. Division against Discrimination which found probable cause and ordered public hearing, the highest state tribunal giving its decision on February 9, 1960. Newton's appeal to the U. S. Supreme Court permitted a stay until April 15, 1960, of execution of DAD's Order demanding immediate removal of racial restriction and admission of the two plaintiffs if eligibility were established.

Pending determination on Federal court appeal, the firm decided to change its racial policy voluntarily, and early in March, 1960, invited two human relations specialists to serve the company in consultative capacity to aid in achieving an effective, peaceful transition. At this time, more than 2000 families were residents of Newtown's two, almost totally completed Park communities. The Newton firm's reputation with respect to the housing of Negroes, the nature of its advertising campaign and press releases, the information disseminated by the firm's sales force and the specific handling of Negro applications had created in this community an attitude of assurance that an all-white policy would prevail. A similar sense of complacency was apparent in the surrounding Oldtown Township community, despite a continuing discussion throughout the area related to news stories of the series of court proceedings.

1/ See appendix A for litigation summary

Diligent inquiry was made by the consultant team of man and wife, both Negro, as to the effect of such intervention upon the legal aspects of the situation, and items of formal Agreement were executed as assurance of the integrity of both parties.^{2/} A third consultant, chosen by the original team, was that of a white educator and human relations specialist, whose initial assignment was that of person-to-person home visitations with clergy and organization leaders in the Newtown community whose positive interest would be important to the overall plan. Rationale for this tactic was, that in recognition of the high degree of negative orientation within the community, there would be less likelihood of irresponsible rumor flowing from home-visits and passage through community streets by this person, than if a Negro were chosen to make such initial contacts. In every other phase of the operation, the trio of consultants functioned without any distinction other than would be dictated by especial competencies.

Developing Organization

The work of the consultants as it related specifically to the Newtown community, was confined to week-end operations, beginning March 19, 1960. In initial conferences with the Newton firm officials, a plan of action was outlined that would call for movement on several fronts in the community within a limited period of time. Implementation of the plan required and received assurances from the firm in the following:

^{2/} See appendix B for substance of formal Agreement

1. Granting of the firm's cooperation, without interference or hindrance, and of the firm's willingness to underwrite reasonable and necessary expense of operation;
2. Provision for the consultants of a working knowledge of Newton's building plans and operations; extent, nature and methods of sales and financing practices; factual report on the climate of public relations between firm and surrounding community and its leadership; and acquaintance with the nature and constituency of Newtown social organizations;
3. Provision of meeting facilities and the aid of the firm's personnel in assembling the several strategically located individuals and groups in both Newtown and Oldtown communities, with which the consultants would work;
4. Revival of all preliminary applications filed previously by Negro home-seekers, and processing of those applications in a completely normal manner, as the consultants were able to locate and invite these earlier applicants to renew their interest. Implicit in this operation was assurance of routine and normal acceptance and processing of any and all applications thereafter, as specified in the formal working Agreement.

Influences in the Oldtown Community

Within five days following off-the-record conferences with Newton & Sons officials, the first contact with the public that would indicate the presence of a consultant team, was made. On the first day, a visit was made at the home of a clergyman who was recognized as a principle leader in the Newtown community, and his cooperation was secured. Two available members of the Oldtown Township Committee and the Chief of Police were invited into an off-the-record conference, leading hopefully to an official meeting of the full Committee later. In each instance, an objective and carefully presented report of legal developments and voluntary purpose was given, as a preface to discussion of the economic implications of the move, both factual and fallacious, and the moral and ethical considerations involved.

Free discussion provided a measure of the understanding of and reactions to the issues of open occupancy housing in the Newtown community, and its parent body, the Oldtown Township community.

As public officials, all recognized their obligation to uphold the law, despite fears and reservations expressed as to possible social and economic consequences. The young, career-minded Chief of Police made it clear that recent racial conflict in the Pennsylvania housing development was sufficient warning to him that alert and unbiased law enforcement was his only alternative, regardless of any personal views on race-relations held by himself or any member of his department. The Police force serving the Newtown community was composed of fewer than ten men, subject to increase as the development's expansion justified growth. The Chief of Police had no fear of his ability to secure full and efficient service from his men in any phase of the operation, so concern with immediate provision of human relations orientation for the force was dismissed.

On the following day, the consultants and officials of the firm met in closed session with publishers and editors of the two local, Oldtown newspapers, one being a daily and the other a weekly. Discussion permitted frank assessment of the proposal to admit Negro home-buyers, consideration of possible public reaction in an admittedly surcharged community atmosphere, and examination of the roles the local press may play, either in allaying or accentuating fears. Without any studied effort to suggest or press for hard and fast promises or agreements, the discussion resulted in a consensus that the normal, routine reporting of fact, a newspaper's responsibility, would best be served by thoughtful avoidance of language or story emphasis that could heighten racial fear or prejudice. This consensus also embraced

the general idea that special reportorial emphasis upon move-in of expected Negro purchasers would serve no good, but could have unpleasant or disastrous effect.

On this same day, extended conversation with the firm's sales manager provided him with factual data on the entire issue, and with opportunity for honest self-searching as a means of determining the influence he would be able to exert upon his subordinates and clients. Through him, plans were set for a full-scale conference with the entire sales force at a time that would release all of them from duty.

On March 26th, the third day of an intensive week-end operation, the consultants and Newton firm officials met with the full Township Committee and the Chief of Police, to review fully the developments to that time and the proposed next steps. Proposal for the formation of an official Human Relations Council was accepted by the Township Committee and arrangements made for selection and appointment of such a body that could give leadership to the total Oldtown community as well as the Newtown project.

Reaching the Newtown Community

The third week-end of operation, that of April 1-3, 1960 was given to evaluation with officials of the building firm, of developments to this point and of proposed steps for the immediate future. Approval by the Township Committee of the plan for a Council on Human Relations, had enabled the home-visiting consultant to begin the compilation of a list of responsible people in the community who were being suggested by clergymen and others for leadership responsibility. Through similar contacts, information was gleaned as to the identity of persons who, as bearers of rumors and inflammatory

discussion, were causing unrest and fear to spread. One very active peddler of fear was identified as a door-to-door delivery man serving the Newtown community. Such information as would be pertinent was relayed to the Chief of Police for any action he may deem necessary, and to certain community leaders whose personal, moral commitment was such that the information could be used in a way to nullify its negative influence. Work of propagandists subsided without need for any further official or unofficial action.

The entire sales force was assembled for a full afternoon of discussion of any relevant aspect of the transition plan, on Saturday April 9th, which was the fourth week-end in the operation. Each salesman had been alerted earlier as to company policy change, by the sales manager who also laid down simple rules to be observed in the reception of Negro applicants and in attempting to counter the questions of race-conscious white prospects. The orientation session was designed to accomplish two principle missions: (1) to obtain through discussion some measure of the responsiveness of this highly influential group of opinion-makers to the new policy, and (2) to enable the consultants to present the pros and cons of the inevitable situation which conditions and the law imposed. The session was geared, not to any expectation of conversion of those holding negative views, but rather to reinforce the official position of the employing firm with presentation of scientific fact and research findings, with elements of social change and with information as to legal aspects of their own acts as agents of a building firm. Each was encouraged, too, to recall various types of questions asked by inquiring prospects as a means of testing their skills in reacting, and to provide clinical treatment of problems posed.

As an exercise in objective observation as well as of professional

restraint on the part of the sales force, and in order also to provide the consultants with some quantitative measure of public reaction to earlier publicity, each salesman was requested to maintain for a two-week period, a check sheet on the number of prospects who raised the racial issue, as against the total number of persons interviewed. They were asked also to summarize the substance of each conversation bearing upon the racial issue. Meantime, each man was instructed that at no time would he, directly or indirectly, raise the issue of race; that when questioned by a prospect he would react without appearance of evasion, defense or apology, or in any fashion that would suggest to the questioner that the matter was of specific concern to him or the firm.

Whereas earlier subjective reporting by salesmen had implied that they had had numerous experiences with heavily-charged, emotional exchanges, the day-to-day reporting system disclosed that a comparatively small minority (11%) of all prospects indicated any interest at all in the question of racial occupancy of Newton dwellings. Only 1.7% of all prospects gave evidence of holding uncompromising views in opposition to racial inclusion and might be considered to be "lost" prospects; four percent registered minor notes of disapproval giving no suggestion of lost interest in buying; and 2.4% were content if given reasonable assurance that the house next door to their choice of lot had not been sold to a member of the racial minority.^{3/}

^{3/} See appendix C for Summary of two-week experiment.

A voluntary human relations council serving the entire county in which Lottown is located, had been one of the severest critics of the Nettow firm; had been instrumental in channelling the first legal complaints against the firm; but was willing to become an active and friendly ally in the transition program if convinced of the company's integrity of purpose. The consultant team arranged with leadership of this council for an evening of exchange of information and views. The value of selecting a recognized authority in the field of human relations for this kind of specialized service was demonstrated in this and several subsequent situations. Recognition of and confidence in the competency and integrity of the human relations consultants by others operating in the same field of interest, disposed immediately of the roadblock which suspicion throws out in situations where one is dealing with an "adversary" or an uninformed person. Representation of company intent and purpose, by the consultants, had the same effect as would have been an engineering consultant's appearance on a technical issue or an architect's interpretation in matters affecting building code observance. One may speculate, too, upon possible elimination of costs that could have been inflicted by errors of omission, which in the past have resulted in avoidable violence.

The same week-end spent with the sales force, permitted the culmination of successful arrangements with the County Human Relations Council which became a positively-oriented medium for dissemination of factual information about the new policy.^{b/}

b/ See appendix D for Newton company's formal announcements of new policy.

Mobilizing Newtown Leadership

In the new, rapidly growing exurban community of more than 2000 families, the most widely influential and well-established social institution was the church and synagogue. Nearly a score of Catholic, Protestant and Jewish congregations were worshipping in the spic and span edifices which, through arrangements with the Newton corporation, were erected as each Park community took shape and its religious needs were determined. From these institutions, in turn, there emerged the many clubs, societies and organizations which characterize the more settled American community.

Home visitations had identified clergymen who could form a nucleus for planning a conference with all of Newtown clergy. Consultants met with this planning group during the fourth week-end, April 8-10, arranging for the full conference the following week. In the latter meeting, all but two were present and expressed a sense of satisfaction that the racial issue was being met in a forthright and positive way. The two absences sent messages of regret and assurances of full cooperation. At this conference, a plan of action was designed and accepted as a personal commitment by each clergymen, as follows:

1. That on a chosen sabbath week-end, each officiating clergymen would deliver a sermon on the impending policy change, stressing the responsibility of all citizens in aiding a peaceful transition.
2. That this sabbath observance would be geared to an official Company announcement accompanied by release to press, radio and TV in the metropolitan area.
3. That the clergymen would jointly espouse the appointment by the Oldtown Township Committee of an official Human Relations Council, nominees for which each would submit two names from his congregation.

Responding to the requests of the clergy, and in keeping with promises given earlier to the consultants, the Oldtown Township Committee formally announced appointment of a Human Relations Council on April 29th, and publicized the names of Council members and their duties. Council personnel consisted of three clergymen, two persons from each of three Park communities then completed or under construction and two persons representing public school professional staff. The Township Committee indicated an intent to serve on the Council in ex-officio, non-voting capacity. In several exploratory meetings, the Council elected permanent officers, set forth its statement of purpose and agreed upon a development plan for an intensive human relations institute for the benefit of the townspeople and its own membership.

The Newton firm agreed to underwrite the essential operating costs of the council and of the Institute. The consultants worked with the Council in planning all features of the institute including the securing of recognized human relations authorities as lecturers, panelists and discussion leaders.^{5/} Scheduled for four two-hour evening sessions beginning June 2nd and extending over a four-week period, the institute attracted a group in excess of the fifty persons for which it had been geared. Subsequently, the Council solicited from many human relations agencies throughout the state and country helpful information and literature; prepared a mimeographed handbook for local leadership guidance; inspired discussion programs in various community organizations; and in response to invitations, gave speeches and led discussions throughout the Township and even further afield.

^{5/} See appendix E for institute program outline.

Prepared for Move-Ins

During the course of those specific developments, the consultants were moving in various other directions. An effort to meet with real estate operators in the general area, for discussion of mutual problems and responsibilities, brought only token response and had to be abandoned. Meantime, the entire effort at Newtown was being greeted by much speculation and rumor, particularly on the part of liberal, pro-integration groups who suspected some nefarious plan that may serve to influence the outcome of pending litigation. Arrangements were made over several weekends in April to meet with the membership of such groups in the country and in other parts of the state, as a continuing part of the task of interpreting the integrity of Company purpose, and the soundness of methods being employed. Those groups ranged from the studious, open-minded type of leadership, to a militant and relatively uncompromising voice of the Negro community, requiring great insight, patience and sincerity on the part of interpreters.

As part of the original, official Agreement between Company and consultants, all preliminary applications that had been identified as those executed by early Negro applicants were reviewed. By mail, telephone and direct visitation, those applicants who could be located were invited to renew their interest and formalize their applications. By far the great majority had made other provisions through purchase or lease; several applicants who were military personnel, had gone overseas; and others had abandoned their partially formed ideas of purchasing at this time. Five families, not ready at this time to renew, indicated a desire to apply at some future date; at least three of these now are

Newtown residents. In the meantime, three homesseekers not numbered among original applicants expressed interest in purchasing Newtown homes. Two of these were prepared immediately to enter into contractual relations with original commitment of one being made on May 7th. The second of these families included two teen-age boys, the first to enter Newtown secondary schools where, within a comparatively short period of time they moved into responsible leadership roles.

It was considered to be inadvisable to permit details as to actual signing of contracts, particular location of plots purchased, and actual dates of move-ins to become subjects of public discussion. Only officers of the firm, the particular family and the Police Chief had this information; the consultants preferring not to know. Whether or not there were Newtown residents who might have chosen to demonstrate in opposing move-ins, may never be known. The entrance of Negro families to the town was uneventful when the first of three entered on July 25th and the others shortly after. White neighbors in each instance, visited the incoming family with friendly gestures of welcome.

On August 6th, 1960, the formal services of the consultant team were terminated.

Three Years Later

In the Spring of 1963, the Newtown community has grown from somewhat more than 2000 families, to a town of nearly 6000 occupied homes. No one knows exactly how many Negro families live there, but the number is approximated at 40. There has been no threat of racial inundation and not

a single incident of racial conflict; there has been no indication of bias or differential in the Company's selection standards; Negro families have not been shunted to one side, assigned to particular "Parks", streets, location in a block or in type of dwelling procured; nor can their homes be identified on the basis of standards of care given the property and grounds. There is no "Negro congregation" among the religious institutions of the town; on the other hand, Negro residents are to be found in the membership of several of the Christian churches, and in officer-ship of the Chamber of Commerce and other civic organizations.

There is no doubt but that competitors of Newton and Sons have attempted to capitalize upon public fears that had been generated by earlier publicity on racial occupancy of Newtown. Reports from responsible observers suggest that Negroes visiting sales offices of other new housing developments in the general area, have been given glowing descriptions of the comparative freedom from threat and conflict they would find at Newtown where "the ice has been broken." Nevertheless, through a combination of individual initiative on the part of Negro families, and of consistent educational activities conducted by voluntary human relations organizations in the area, homes have been purchased by Negro families in at least three other erstwhile "lily-white" developments located within ten miles of the Newtown development.

For instance, Project "A" containing approximately 125 homes, began building in 1958 during the construction of the first Newtown Park. Intended at the outset to be racially restricted, the project now has seven Negro families owning homes which range in price from approximately \$13,000 to \$16,000, comparable to Newtown prices. The

project is no more than six miles from Newtown. Project "B", still under construction, has sold 75 houses, three of which are owned by Negro families. The first Negro family entered the project on resale of one of the early homes built, in January 1963 and completely without incident; the others purchased directly from the developer shortly thereafter. These homes, too, are within the price range of Newtown houses. Project "C" began building in 1959 and is completed. It contains approximately 100 homes selling in the \$11,000 to \$12,000 price range. The first of ten Negro families entered this development in late 1960 or early 1961, all purchasing on resale. A fourth project in the area has indicated its intention in the Spring of 1963 to accept Negro purchasers.

Appendix A

SUMMARY OF LEGAL DEVELOPMENTS

The State of New Jersey vs Newton and Sons, Inc.*

In June 1953, complainants Todd and James allegedly were rejected by Newton as purchasers of houses in Newtown* because of their color, both being Negroes. Formal complaints were filed with the New Jersey Division against Discrimination charging violation of N. J. Law against Discrimination R. S. 18:25-1 et seq. Findings of probable cause for the complaints were made by DAD pursuant to R. S. 18:25-11 and attempts at conciliation were unsuccessful. The complaints were set down for public hearing but postponements followed initiation of suit by Newton in Superior Court, Appellate Division, challenging jurisdiction of the DAD and attacking constitutionality of the New Jersey Law against Discrimination.

This court held the Law against Discrimination, R.S. 18:25-1 et seq. to be constitutional and affirmed the jurisdiction of the DAD to consider the discrimination complaint. Newton appealed to the New Jersey Supreme Court from the lower court decision, as a matter of right because of the substantial constitutional questions involved. DAD hearing procedures were stayed by successive court orders, during the course of appeals procedures.

Questions to be determined in Supreme Court review and decision, involving: (1) agency jurisdiction and constitutionality of the statute as related to plaintiff's compulsion to exhaust administrative remedies before appeal, and (2) jurisdiction of the DAD to entertain the complaints brought against plaintiffs, were as follows:

- A. Does "publicly assisted housing accommodation" as used in Sec. 4 of the Law against Discrimination, R. S. 18:25-4, apply to plaintiffs' project? Plaintiffs argued that their project was financed on an entirely private basis until title passed from developer to purchaser, at which point there could be no discrimination by the developer since the house was no longer within his control; admitting that houses built by them, most likely when sold, would be financed by a federally insured loan; that the statute does not speak in terms of future possibilities, but only of existing conditions.

FACTORY. The statute plainly includes housing projects such as those here involved as to which, at the time of the discrimination, the FHA insured loan is committed. The advantages which accrue to the developers in question from the FHA commitments is plainly the result of public assistance. The very existence of the development can be attributed to the FHA commitment. The mass market opened by FHA and other government funded purchase money housing loans, accounts for the prospect of sufficient buyers to purchase the housing in question. Without such a

* From official report by the Anti-Defamation League of B'nai B'rith New York. Names of firm and town fictitious

mass market, it is inconceivable that the developments would have been built; the number of prospective purchasers with adequate savings accumulated to make the down payment required by conventional financing and with sufficient income to meet from their income the payments on a conventionally financed debt would not warrant the mass housing construction in evidence today. Suffice it to say that the public assistance rendered the housing here in question places it within the definition of that term as used in ... S. 18:25-4, and perhaps within R. S. 18:25-5(k).

- B. Even should plaintiffs' development be construed to be publicly assisted housing, the DAD is without jurisdiction to hear the claim brought by the individual defendants, due to limiting language in the legislative authority granted DAD.

DISCUSSION. The phrase in the statute "pursuant to any law" suggests that the legislature had no intention of limiting the scope of the statute to any prior existing situation; rather, it intended that the procedures set out in the Law against Discrimination be available to remedy any charge of unlawful discrimination in respect to housing. Even if the verb "built" be narrowly construed so that only houses constructed with public assistance, rather than houses constructed or owned by means of public assistance, R. S. 18:25-9.1 still applies to the development in question. The court held, therefore, that R. S. 18:25-1 et seq applies to the plaintiff's development in question.

- C. Plaintiffs argue that the Law against Discrimination, by including within its purview only publicly assisted housing, creates an unreasonable and arbitrary classification in violation of the Fourteenth Amendment to the United States Constitution and the New Jersey Constitution 1947, Article I, Section 1; that, since the statute was intended to eliminate discrimination in housing, it must apply to housing generally, and since there is no difference between publicly assisted housing and housing generally insofar as the ability to discriminate or its effects are concerned, the distinction, and hence the statute, must fall.

DISCUSSION. Considering the circumstances which led to the enactment of the statute in question, it becomes apparent that the classification presents no constitutional difficulties. We may note the pressing need for adequate housing for minority groups. Many more in these groups than at present would be in a position to take an active and beneficial role in the cultural, social and economic life of the community were they given an opportunity, and a vital factor in affording this opportunity is access to a real housing accommodation. The portion of the statute in question which relates to housing may be viewed as a means chosen to assuage the housing problem facing minority groups. It may be argued that the main purpose is to secure some measure of adequate housing for minorities and only incidentally to this purpose is discrimination proscribed. The desired end may be achieved by legislating in regard only to a specific kind of housing. The means chosen by the legislature to accomplish its goals are not unreasonable, and on that basis the court held that plaintiffs' argument that the Law against Discrimination incorporates an unconstitutional classification is without merit.

- D. Plaintiffs argue that the Law against Discrimination, by singling out federally assisted housing for special regulation without providing for correlative regulations of all state assisted housing unconstitutionally discriminates against rights conferred by federal law.

JUDGMENT. The premise is that R. S. 18:25-5(k) is a definitive limitation for purposes of the statute of all kinds of "publicly assisted housing accommodation" as used in R. S. 18:25-4. As held above, this notion is incorrect. And the whole argument must fall with the premise on which it is based.

- E. Plaintiffs argue that the Law against Discrimination invades a legislative field pre-empted by Congress and is for this reason invalid.

JUDGMENT. There is a considerable gap between Congress' refusing to adopt an express policy of non-discrimination in regard to F.H.A. insured housing, to be applicable under all circumstances and in all sections of the country, and a congressional policy prohibiting states from enacting laws proscribing such discrimination. To construe this action as establishing a congressional policy against state laws having the same effect is not warranted by the circumstances. It would be unsound, therefore, to conclude that the Law against Discrimination invades a legislative area pre-empted by Congress.

- F. Plaintiffs argue that the statute in question conflicts with the National Housing Act and hence is invalid under the supremacy clause of the Federal Constitution, Article VI, paragraph 2.

JUDGMENT. Insofar as this argument rests on a supposed frustration by the Law against Discrimination of a congressional policy of permitting discrimination with respect to F.H.A. insured housing, it is sufficient to point to discussion of the argument concerning federal pre-emption, above, holding that Congress did not intend to exempt F.H.A. insured housing from the operation of state laws prohibiting discrimination with respect to such housing.

CONCLUSION. We hold, therefore, that the public assistance rendered to the housing in question places it within the purview of the Law against Discrimination and that the Division against Discrimination in the State Department of Education has jurisdiction to hear and decide the charges brought against plaintiffs by the individual defendants, and that the statute on which the jurisdiction is based is valid. Thus the relief sought by plaintiffs in their action in lieu of prerogative writ cannot be granted, and the cause must be returned to the Division against Discrimination in the State Department of Education for disposition. The judgments appealed from are affirmed.*

SUPREME COURT OF NEW JERSEY
Nos. A63 and A64 September Term 1959

(Note: The U. S. Supreme Court refused petition to review N. J. Court action)

Appendix B

TERMS OF FORMAL AGREEMENT
between
Newton & Sons and Consultants

1. That the company will not use the consultants' services or the results of these services as a means of influencing the court action now pending.
2. That the families initially placed in Newtown on the basis of consultants' recommendations will not stand as token placements in the development, by discouragement of other Negro buyers.
3. That families placed upon consultants' recommendation, or any subsequent eligible Negro applicants, will not be located in nor confined to racially segregated neighborhoods.
4. That any standards of selection employed in choosing the several original Negro families shall not be represented as a form of differential in criteria to be applied to Negro families in an on-going program.
5. That the Company will lend full cooperation in the presentation of orientation courses for sales and other personnel, and for other groups in the development or town where such action is deemed necessary or advisable.

Appendix C

(v)

Summary

From Tabulation of Prospects' Concern with Open Occupancy Plans

April, 1960

(Period: Two seven-day weeks)

| | <u>NO.</u> | <u>PERCENT</u> |
|---|------------|----------------|
| 1. Total number of inquiries and interviews, by phone and in person, regarding sales conditions. | 293 | |
| 2. Total number of inquiries as to racial inclusion. Percent racial inquiries in total interviews | 33 | 11.2% |
| (No. inquiring but expressing no negative opinion) | 12 | 4.0% |
| 3. Total number expressing negative opinion | 21 | 7.2% |
| a. Of major or uncompromising nature | 5 | 1.7% |
| b. Of concerned but compromising nature | 4 | 1.4% |
| c. Of minor nature | 12 | 4.0% |
| 4. Total No. opposing <u>only</u> next-door neighbors: (from 3b and 3c above) | (7) | (2.4%) |

Appendix D-1

FROM: GEORGE NEWTON

TO: All employees in the Sales and Mortgage Processing-Closing Departments of Newton and Sons, Inc.

DATE: JULY 1, 1960

As a result of the termination of our recent lawsuit to test the validity and applicability of the New Jersey State laws against discrimination in housing, the following policy is now in effect in our company:

There shall be no discrimination against any person because of race, creed, color, national origin or ancestry, in passing on applications for the purchase of our houses in Newtown, New Jersey, in the sale of such houses, and in giving occupancy of such houses, including the equipment appurtenant to them.

I am confident that you would all comply with this policy without any threat of penalty for non-compliance. Nevertheless, I wish to inform you that any failure to comply will result in immediate dismissal from our employ.

A copy of this memo is to be given to each employee in the above departments who will acknowledge receipt by signing the attached sheet.

This memo does not imply that there has hitherto been any such discrimination practiced; it is simply a positive statement of policy now in effect.

Appendix D-2

FROM: GEORGE NEWTON
TO: All employees of Newton and Sons, Inc.
DATE: July 1, 1960

Whether or not your duties have any connection with the sale of our houses in Newton, New Jersey, or taking or processing applications for them, or arranging for their occupancy or for any of the equipment apportioned to them, you will please note that in these matters there is now in effect in our company the policy of not discriminating against any person because of race, creed, color, national origin or ancestry.

This memo does not imply that there has hitherto been any such discrimination practiced; it is simply a positive statement of policy now in effect.

PROPOSAL FOR HUMAN RELATIONS COURSE

* * *

NEWTOWN HUMAN RELATIONS COUNCIL *

ESTIMATED TIME SCHEDULE FOR EACH SESSION

| | |
|------------------------|---|
| 7:45 p.m. - 8:15 p.m. | Presentation of topic for the evening in lecture form |
| 8:15 p.m. - 8:30 p.m. | Question and answer period. |
| 8:30 p.m. - 9:45 p.m. | Small discussion groups with discussion leader, recorder and resource person. |
| 9:45 p.m. - 10:00 p.m. | Summary of evening discussion. |

COURSE OUTLINESession I"THE NATURE OF PREJUDICE AND DISCRIMINATION"

Speaker - Dr. Harold A. Lett
Commission on Labor-Management
National Conference of Christians and Jews
1702 Sheppard, N. W.
Washington, D. C.

What are the psychological and sociological bases for behavior and attitudes of both majority and minority group members? What are their group characteristics? What role does environment or heredity play? What is the effect of social class? Do we learn or inherit prejudices, are all prejudices negative? What is the extent of discrimination and how does it operate? Has there been progress in our minority-majority relations, where, why and how - etc.

Session II"WHERE SHALL WE LIVE?"

Speaker - Mrs. Frances Levenson, Director
National Committee Against Discrimination
in Housing
426 W. 58th Street
New York City 19, N. Y.

* Accepted and presented as proposed.

This session will deal with the facts and fallacies about integrated housing. Do property values decline. Why do Negroes want to buy in white neighborhoods. Will integration deteriorate the community physically or otherwise. Are there successful experiences of housing integration. Where one Negro family buys will others flock in. What is the cause and effect of panic selling - etc.

Session III

"THE ORGANIZATION OF THE AMERICAN SUBURBAN COMMUNITY"

Speaker - Dr. Dan Dodson, Director
Center for Human Relations Studies
New York University
Washington Square
New York City 3, New York

Perhaps to best describe this lecture we should call it an object lesson in assessing the "climate" of a community. What are the roles and functions of institutions (churches, schools, governments) in intergroup relationships. How can tension and conflict problems be identified. What factors are present when a community lives in harmony as outlined in paragraph one of the Council's objectives (meeting of April 29). What responsibilities, stemming from traditional or historical roles, can each institution be expected to carry.

Session IV

"THE DYNAMICS IN COMMUNITY LEADERSHIP"

Speaker - Prof. Neil Brown
Graduate School of Social Work
Rutgers - The State University
New Brunswick, New Jersey

This session can be arranged to serve different purposes, depending upon the judgment of Council members or the way the first three sessions have gone.

1. It can be a lecture on the principals of group operation and progress with demonstrations of role playing, rumor clinics, perception, or
2. It can be a practical lecture on programs which are useful in creating a community climate which the Council strives for as its objective, or
3. It can be a combination of 1 and 2 above.

For each discussion group we need a resource person, one who has a competence in this area based on study, training and experience.

(Ed. note: To provide a level of person-to-person contact probably never available before to institute participants, two of the lecturers chosen were Negroes, Messrs. Lett and Brown.)

Chronology

- 1958 Newton and Sons began building operations.
- June 6 (c) Release to press on continuation of Newton's restrictive racial policy.
- June 19 First recorded application by Negro family
- July 2 and 11 Formal complaints against Newton firm alleging racial discrimination.
(Intervening time to April 15, 1960 given to investigation of complaints and conciliation efforts by the N. J. Division against Discrimination; to action in three New Jersey state courts; and appeal to U. S. Supreme Court.)
- 1960
- Mar. 13 Engagement of human relations consultants
- Mar. 19 - 21 Beginning of consultants' activities
- Mar. 24 - 26 Start of selected home visitations; first conference with Township officials and police chief; off-the-record conference with news publishers and editors; conference with firm's sales manager; conference with full Township Committee, groundwork laid for formation of Human Relations Council.
- April 1 - 3 Review with firm's officers; identification of rumor peddlers.
- April 8 - 10 Half-day work session with entire sales force, arrangement made for two-week daily check of customer reaction. Meeting with independent, voluntary, county-wide human relations councils; first conference with nucleus of town clergy.
- April 15-17 Meeting with Newtown clergymen.
- April 21 Meeting with protesting Negro citizens' group.
- April 29 Formal appointment of Newtown Human Relations Council.
(During April and May, consultants continued efforts to locate and re-interest original Negro applicants.)
- June 2 Beginning of series of four sessions of human relations institutes for townspeople, sponsored by the H. R. Council.
- July 1 Formal announcements by Newton firm to all employees, on policy changes.
- July 25 Move-in of first Negro purchaser.
- August 6 Consultative services terminated.